

Washington's Tuition Policy History

1977-2009

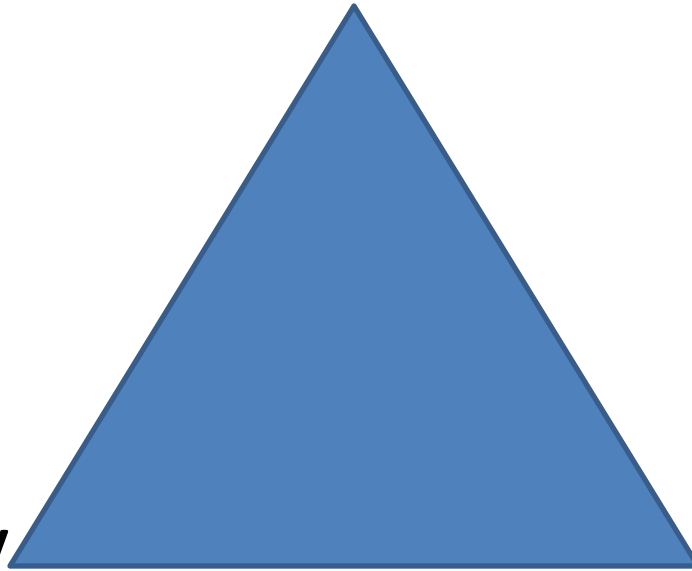
January 23, 2009

Foundation Values

Access

Predictability

Affordability



Legislative Action

1977-1995: Legislature Bases Tuition on Cost of Instruction

Legislature established tuition rates as a percentage of the cost of instruction.

“Cost-Sharing” approach assumes both the student and society benefit.

HECB Cost Study used to calculate tuition.

1977-1981 Tuition Rate Policy

Undergraduate tuition charges based on instructional cost at research universities.

<u>Sector</u>	Tuition Rates Based Upon Resident Undergraduate Instructional Cost <u>at Research Institutions</u>
Research – Resident	25% of Cost
Research – Nonresident	100% of Cost
Comprehensives – Resident	80% of Research
Comprehensives – Nonresident	80% of Research
Community and Technical Colleges – Resident	45 or 50% of Research
Community and Technical Colleges – Nonresident	45 or 50% of Research

1981-1995 Tuition Rate Policy

Undergraduate tuition charges based on instructional cost at each institution and students pay a greater share.

<u>Sector</u>	<u>Tuition Rates Based Upon Resident Undergraduate Instructional Costs</u>
Research – Resident	33% of Cost
Research – Nonresident	100% of Cost
Comprehensives – Resident	25% of Cost
Comprehensives – Nonresident	100% of Cost
Community and Technical Colleges – Resident	23% of Cost
Community and Technical Colleges – Nonresident	100% of Cost

1995-1999: Legislature Increases Ceilings for Resident Undergraduates

In 1995, the Legislature removed the direct link between tuition policy and the cost of instruction.

Statute specified a 4% increase each year with higher increases for graduate students and nonresidents.

Originally a temporary measure for 1995-97 biennium which was expanded to 1997-99.

1999-Present: Limited Tuition Setting Authority for Institutions

Tuition ceilings established by Legislature for resident undergraduate students.

Nonresident and graduate tuition is subject to either high or no ceilings.

In 2002, community and technical colleges adopted per-credit tuition charges.

1999-Present

(continued)

1999-2001:

Increases up to 4.6% in 1999-2000 and 3.6% in 2000-2001.

2001-2002:

Increases up to 6.7%.

Law and Business programs allowed to raise tuition up to 12%; 15% for UW Business.

1999-Present

(continued)

2002-2003 (resident undergraduates):

- Research Universities 16%
- Comprehensive 14%
- Community Colleges 12%

This was precipitated by a significant drop in state funding per student. No maximum limit was placed on increases for nonresident or graduate students.

2003-2005 (resident undergraduates):

Increases up to 7% per year for resident undergraduates. No maximum limit was placed on increases for nonresident or graduate students.

1999-Present

(continued)

2005-2007 (resident undergraduates):

- Research Universities 7%
- Comprehensive 6%
- Community and technical colleges 5%
- No maximum limit was placed on increases for nonresident or graduate students through 2009

2007-2009:

- Research Universities 7% (At this rate, tuition doubles in 10 years.)
- Comprehensive 5%
- Community and technical colleges 2%
- CTCs were also given state funds to provide for an effective 1% increase in tuition

HECB Recommendations

1977-1995: Cost of Instruction

HECB Cost Study used to calculate tuition.

Resolutions from late 1980s and early 1990s express HECB's dedication to access and affordability.

HECB tuition studies find tuition policy consistent with access and affordability goals until the tuition increases of 1993-94.

1995-1997: HECB Recommends Tuition Ceilings

HECB proposes removing direct link between tuition policy and cost of instruction with Resolution 94-36.

HECB policy framed tuition increase ceilings as a means to control large increases and allow institutions greater flexibility.

1997-2000: HECB Recommends Tie Tuition to Per Capita Personal Income

1997-99: HECB recommends that increases to base tuition not exceed increases in state per capita personal income.

Board recommends that an additional 1% per year be provided to institutions for student centered enhancement.

Board proposed creating a pilot program to study differentiated tuition.

1997-2000

(continued)

1998 – Modification to Tuition Policy

Increases to base tuition are not to exceed the three-year average increase in state per capita personal income.

HECB policies allow public four-year institutions and SBCTC to further increase tuition to 2% per year for the 1998-2000 biennial period only.

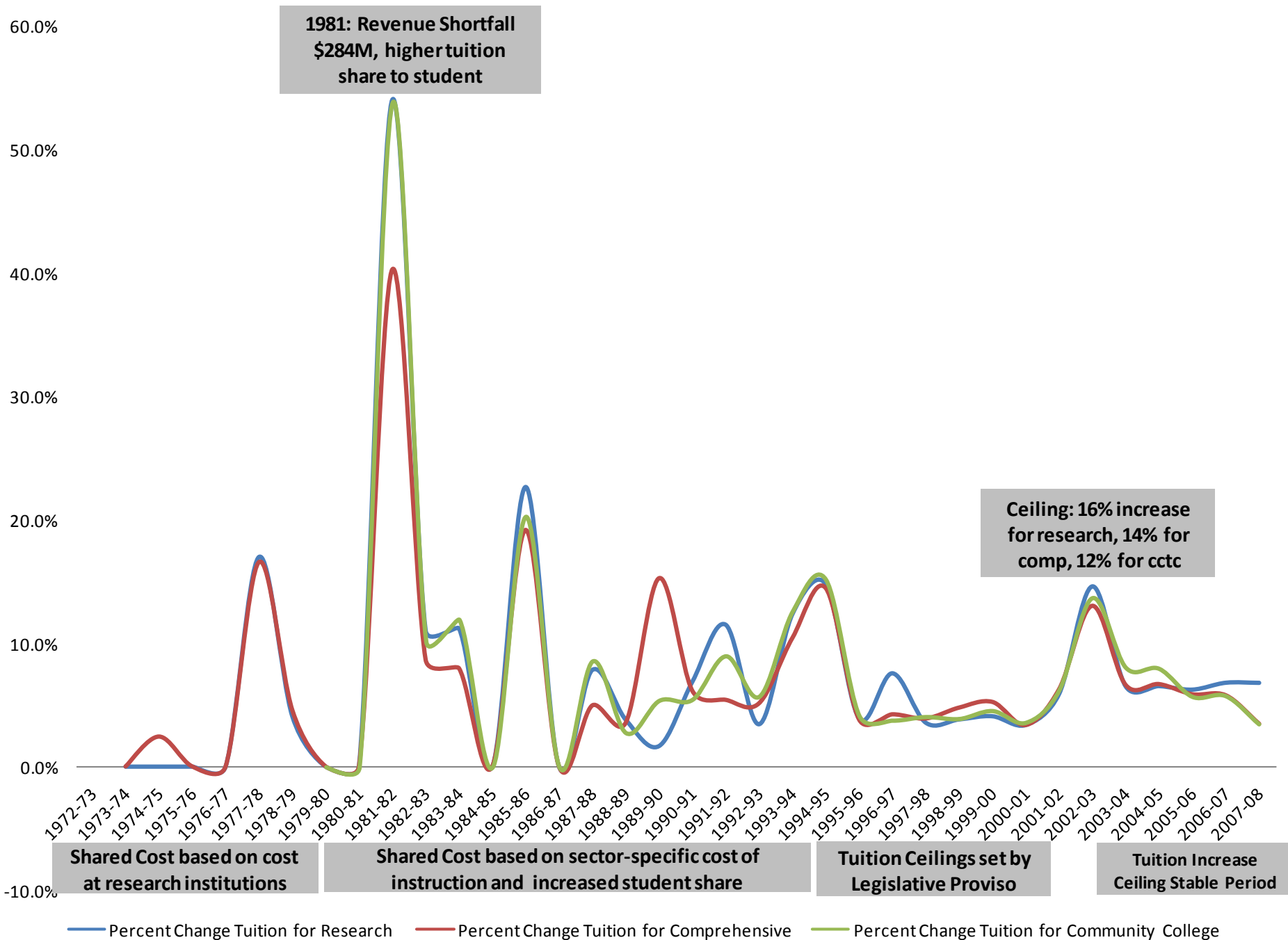
2002-2009: HECB Tuition Policy

2002 HECB resolution recommends (but is not passed by Legislature) that all public institutions receive full tuition setting authority.

2004 HECB master plan calls for limited tuition increases held to 7 % annually and, for the most part, the Legislature has followed suit.

2009: HECB Tuition Bill

HB 1235 (HECB request) would eliminate the 2008-09 sunset date and permanently allow institutions to set resident graduate, nonresident undergraduate, and nonresident graduate tuition. Resident undergraduate tuition would be capped at 7% per year.



Tuition by Sector Compared to Per Capita Income

Tuition increases have outpaced per capita income at all sectors.

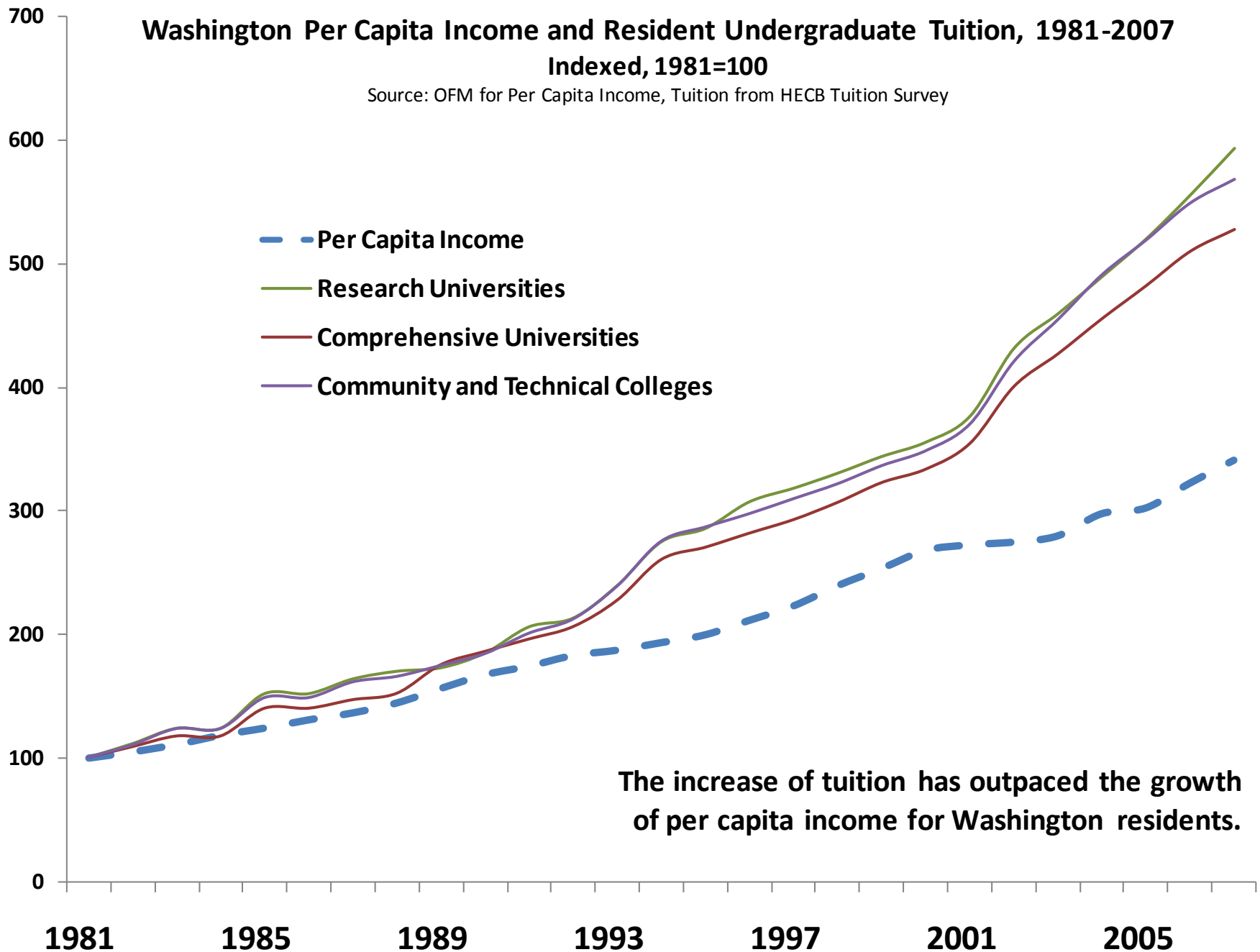
Resident undergraduate tuition has outpaced per capita income the most at research institutions and community colleges.

Washington Per Capita Income and Resident Undergraduate Tuition, 1981-2007

Indexed, 1981=100

Source: OFM for Per Capita Income, Tuition from HECB Tuition Survey

- Per Capita Income
- Research Universities
- Comprehensive Universities
- Community and Technical Colleges



The increase of tuition has outpaced the growth of per capita income for Washington residents.

Resident Undergraduate Tuition Compared to National Peers, 2007-08

		National Peers	
Resident Undergraduates	Washington	Average	% Gap*
Research Universities	\$6,280	\$7,029	-11.9%
Comprehensive	\$4,572	\$5,526	-20.9%
Community and Technical Colleges	\$2,676	\$2,737	-2.3%

*Percentage gap is defined as the difference between Washington tuition rates and comparison groups or as percentage of Washington Tuition rates

Resident Undergraduate Tuition Compared to Global Challenge States, 2007-08

		Global Challenge States	
Resident Undergraduates	Washington	Average	% Gap*
Research Universities	\$6,280	\$8,706	-38.6%
Comprehensive	\$4,572	\$6,328	-38.4%
Community and Technical Colleges	\$2,676	\$2,639	-1.4%

Global Challenge State comparison includes only Global Challenge State Institutions in joint study group peer groups. Global Challenge States used are: California, Colorado, Connecticut, Maryland, Massachusetts, New Jersey and Virginia.

*Percentage gap is defined as the difference between Washington tuition rates and comparison groups or as percentage of Washington Tuition rates

Resident Undergraduate Tuition Compared to WICHE States, 2007-08

		WICHE States	
Resident Undergraduates	Washington	Average	% Gap*
Research Universities	\$6,280	\$5,343	4.9%
Comprehensive	\$4,572	\$4,461	2.4%
Community and Technical Colleges	\$2,676	\$2,284	14.6%

WICHE state comparison includes only Global Challenge State institutions in joint study group peer groups. Global challenge states used are: California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah and Wyoming.

*Percentage gap is defined as the difference between Washington tuition rates and comparison groups or as percentage of Washington Tuition rates

Discussion?